The Director of Central Intelligence Washington, D.C. 20505

National Intelligence Council

NIC #03887-84 9 July 1984

MEMORANDUM FOR:

Director of Central Intelligence

Deputy Director of Central Intelligence

FROM:

David Y. McManis

National Intelligence Officer for Warning

SUBJECT:

Monthly Warning and Forecast Meeting for June 1984

Summary of key warning issues:

<u>Nicaragua</u>

Substantial increases in the pace of construction at Nicaraguan airfields could permit MIG fighters to be introduced by late September or October. The increased pace of military deliveries from USSR/Warsaw Pact may have included prepositioning of equipment in the country in anticipation of broadened fighting related to the aircraft. In addition, the Commander of the Cuban Rapid Deployment Force has recently arrived in Nicaragua.

A few fighter aircraft may even be introduced for the "19 July" fifth anniversary of the Sandinista victory celebration. Deployment options include deploying a small number of aircraft to test US reaction, or paralleling a deployment with increased tensions in an area where the Soviets have some geographic leverage, such as Berlin. The objective may be to embarrass the US and influence NATO allies in broader issues such as INF deployment.

USSR

Despite the ASAT negotiations proposed by the Soviets, their reply to the US response continues to be defiance, large military exercises and castigating propaganda against the administration. NIO/USSR and NIO/W believe that the USSR might take actions designed to embarrass the US below a threshold of deliberate superpower confrontation. Examples of such danger areas are Central America, Berlin, the Arabian Gulf and Pakistan.

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USSR/Iran/Iraq

Soviet arms deliveries have paid dividends in close relations with Iraq and there are indications an increasingly isolated Iran may wish to improve relations with the USSR.

Arabian Gulf War

NATO allies will remain reluctant to enter military operations in the Gulf region unless a prolonged oil cut off appears imminent. Our allies would require three-to-four weeks to deploy substantial forces and apparently would prefer a lengthy time period before their forces were deployed in the hope of diplomatic solutions to a crisis. London and Paris will continue to discourage any US talk of contingency operations.

India/Pakistan

The Indian Army can probably contain the violence in the Punjab, but Sikh terrorism will continue and attacks against Indians abroad are anticipated. Concurrently, there are military activities that seem to go beyond that required for domestic disturbances including air defense alerts, logistic train preparations, ordnance movements and aircraft deployments. While the probability of an imminent preemptive strike or of broader Indian/Pakistan hostilities remains low, Indian Air Force activities go beyond requirements in the Puniab

Ethiopia

Ethiopia may be planning to attack US facilities and people in the Horn area in retaliation for what Ethiopia believes to be US responsibility for the recent attack on Asmara Airfield. Given Mengistu's hostility to the US, these reports must be taken seriously.

South Yemen

Recent changes in the South Yemeni Politburo may indicate growing strength for pro-Soviet hardliners and a setback for the generally moderate



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policies of President Hasani. The PDRY is the Middle East country in which the Soviets have achieved the greatest penetration. US analysts have been unable to agree on the extent of the setback to Hasani because of limited intelligence. notes the increased likelihood of concessions to the Soviets, but also a possible increase in Marxist rhetoric emanating from the PDRY which may set back relations, particularly with Saudi Arabia. The Soviets currently have both air and naval facilities in PDRY which they hope to expand. 2. Trend Commentary
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Unusual occurrences continue to be observed throughout the Soviet structure, including increasingly hardline rhetoric, changes in mobilization and readiness practices, increased procurement of grains, restrictions of movement of US officials and even harassment, etc. The Soviet military continues their significant exercises with focus on strategic play While we view these developments with concern we do not see preparations which would lead deliberately to military confrontation. Our level of concern is such, however, that will attempt to focus on the implications and meaning of such activity for the period of the next six months.
Iran-Iraq
We continue to focus on the Iran-Iraq war and still believe that a major Iranian offensive cannot be ruled out. The new ingredient in the warning meetings, and in reporting, is the possibility that the Soviets may be able to improve relations with the Iranians while not weakening their bonds with the Iraqis.
Sudan
The internal political situation remains tense. Nimeiri may be willing to accept the loss of smaller towns to insurgents, but threats to a provincial center will bring requests for security assistance.
Cyprus
While the community appears to see the situation as somewhat less ominous, the Greek/Turkish military balance on the island still portend instability and increasing
tensions.

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